

110TH CONGRESS
2D SESSION

H. R. 7325

To amend the Internal Revenue Code of 1986 to allow all individuals, whether or not first-time homebuyers, a refundable income tax credit for the purchase of a residence during 2009 or 2010.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2008

Mr. DREIER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow all individuals, whether or not first-time homebuyers, a refundable income tax credit for the purchase of a residence during 2009 or 2010.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Economic Recovery
5 Through Responsible Homeownership Act of 2008”.

1 **SEC. 2. REFUNDABLE CREDIT FOR RESIDENCES PUR-**
2 **CHASED DURING 2009 OR 2010.**

3 (a) IN GENERAL.—Subpart C of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to refundable credits) is amended by insert-
6 ing after section 36 the following new section:

7 **“SEC. 36A. GENERAL HOMEBUYER CREDIT FOR RESI-**
8 **DENCES PURCHASED DURING 2009 OR 2010.**

9 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
10 dividual who makes an eligible purchase during the taxable
11 year, there shall be allowed as a credit against the tax
12 imposed by this subtitle for such taxable year an amount
13 equal to so much of the purchase price as does not exceed
14 \$5,000 (\$10,000 in the case of an eligible purchase where
15 the down payment is at least 15 percent of the purchase
16 price).

17 “(b) DEFINITIONS.—For purposes of this section—

18 “(1) ELIGIBLE PURCHASE.—The term ‘eligible
19 purchase’ means the purchase of a residence for the
20 taxpayer if—

21 “(A) such residence is located in the
22 United States,

23 “(B) the construction of such residence
24 began before 2010,

25 “(C) there is a down payment of at least
26 10 percent of the purchase price, and

1 “(D) such purchase is made by the tax-
2 payer during 2009 or 2010.

3 “(2) OTHER DEFINITIONS.—The terms ‘pur-
4 chase’ and ‘purchase price’ have the respective
5 meanings given such terms by section 26(c).

6 “(c) EXCEPTIONS.—No credit shall be allowed under
7 subsection (a) to any taxpayer for any taxable year with
8 respect to the purchase of a residence if—

9 “(1) credit under section 26 (relating to first-
10 time homebuyer credit) or 1400C (relating to first-
11 time homebuyer in the District of Columbia) is al-
12 lowed to the taxpayer (or the taxpayer’s spouse) for
13 such taxable year or any prior taxable year,

14 “(2) the residence is financed by the proceeds
15 of a qualified mortgage issue the interest on which
16 is exempt from tax under section 103,

17 “(3) the taxpayer is a nonresident alien, or

18 “(4) the taxpayer disposes of such residence (or
19 such residence ceases to be a residence of the tax-
20 payer (or, if married, the taxpayer’s spouse)) before
21 the close of such taxable year.

22 “(d) OTHER RULES TO APPLY.—

23 “(1) RELATED PERSONS.—Rules similar to the
24 rules of section 26(c)(5) shall apply for purposes of
25 this section.

1 “(2) MARRIED INDIVIDUALS FILING SEPARATE
 2 RETURNS, ETC.—Rules similar to the rules of sub-
 3 paragraphs (B) and (C) of section 26(b)(1) shall
 4 apply for purposes of this section.

5 “(3) REPORTING.—Rules similar to the rules of
 6 section 26(e) shall apply for purposes of this section.

7 “(e) RECAPTURE OF CREDIT.—Rules similar to the
 8 rules of section 26(f) shall apply for purposes of this sec-
 9 tion, except that—

10 “(1) paragraph (1) thereof shall be applied by
 11 substituting ‘33 $\frac{1}{3}$ percent’ for ‘6 $\frac{2}{3}$ percent’, and

12 “(2) paragraph (7) thereof shall be applied by
 13 substituting ‘3 years’ for ‘15 years’.”.

14 (b) CONFORMING AMENDMENTS.—

15 (1) Section 26(b)(2) of such Code is amended—

16 (A) in subparagraph (W)—

17 (i) by striking “homebuyer credit”
 18 and inserting “first-time homebuyer cred-
 19 it”, and

20 (ii) by striking “and”,

21 (B) by striking the period at the end of
 22 subparagraph (X) and inserting “, and”, and

23 (C) by inserting after subparagraph (X)
 24 the following new subparagraph:

(3) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36A,” after “36,”.

“Sec. 36A. General homebuyer credit for residences purchased during 2009 or 2010.”.

